



General Assembly

February Session, 2008

Raised Bill No. 5798

LCO No. 2589

02589_____PD_

Referred to Committee on Planning and Development

Introduced by:
(PD)

AN ACT ESTABLISHING A TAX CREDIT FOR GREEN BUILDINGS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2008, and applicable to income*
2 *years commencing on or after January 1, 2009*) (a) As used in this section:

3 (1) "Allowable costs" means the amounts chargeable to a capital
4 account, including, but not limited to: (A) Construction or
5 rehabilitation costs; (B) commissioning costs; (C) interest paid during
6 the construction or rehabilitation period; (D) legal, architectural,
7 engineering and other professional fees allocable to construction or
8 rehabilitation; (E) closing costs for construction or mortgage loans; (F)
9 recording taxes and filing fees for construction or rehabilitation; (G)
10 site costs, such as temporary electric wiring, scaffolding, demolition
11 costs, and fencing and security facilities; and (H) costs of carpeting,
12 partitions, walls and wall coverings, ceilings, lighting, plumbing,
13 electrical wiring, mechanical, heating, cooling and ventilation, but
14 excludes the purchase of land, remediation costs or the cost of
15 telephone systems or computers.

16 (2) "Brownfields" shall have the same meaning as in subsection (g)

17 of section 32-9cc of the 2008 supplement to the general statutes;

18 (3) "Eligible project" means a real estate development project that is
19 designed to meet or exceed the applicable LEED Green Building
20 Rating System silver certification; except that if a single project consists
21 of more than one building, "eligible project" means buildings within
22 such project which is or are designed to meet or exceed the applicable
23 LEED Green Building Rating System silver certification.

24 (4) "Energy Star" means the voluntary labeling program
25 administered by the United States Environmental Protection Agency
26 designed to identify and promote energy-efficient products,
27 equipment and buildings;

28 (5) "LEED Accredited Professional Program" means the Professional
29 Accreditation program for architects, engineers and other building
30 professionals as administered by the United States Green Building
31 Council;

32 (6) "LEED Green Building Rating System" means the Leadership in
33 Energy and Environmental Design green building rating system
34 developed by the United States Green Building Council as of the date
35 that the project is registered with the United States Green Building
36 Council;

37 (7) "Transit-oriented development" means a project located within
38 one-quarter of a mile walking distance of publicly available bus transit
39 service or within one-half of a mile walking distance of adequate rail,
40 light rail, streetcar or ferry transit service.

41 (b) On and after January 1, 2010, there shall be allowed a credit for
42 all taxpayers against any tax due under the provisions of chapter 207,
43 208, 209, 210, 212 or 229 of the general statutes for the construction or
44 renovation of an eligible project that meets the requirements of
45 subsection (c) of this section, and, in the case of a newly constructed
46 building, for which a certificate of occupancy has been issued not

47 earlier than January 1, 2009. The amount of the credit shall not exceed
48 fifty million dollars in the aggregate for the duration of the program.

49 (c) (1) To be eligible for a tax credit under this section a project shall:
50 (A) Not require a sewer extension of more than one-half of a mile, (B)
51 not have energy costs exceeding the energy use permitted by the state
52 energy code by (i) seventy-nine per cent for new construction, or (ii)
53 eighty-six per cent for renovation of a building, and (C) use equipment
54 and appliances that meet Energy Star standards, if applicable,
55 including, but not limited to, refrigerators, dishwashers and washing
56 machines.

57 (2) The credit shall be equivalent to a base credit of (A) for new
58 construction or major renovation of a building which is in a transit-
59 oriented development certified by the LEED Green Building Rating
60 System, (i) ____ per cent of allowable costs for a silver rating, (ii) ____
61 per cent of allowable costs for a gold rating, and (iii) ____ per cent of
62 allowable costs for a platinum rating; and (B) for core and shell or
63 commercial interior projects, (i) three per cent of allowable costs for a
64 silver rating, (ii) four per cent of allowable costs for a gold rating, and
65 (iii) six per cent of allowable costs for a platinum rating. Total
66 allowable costs shall be not more than two hundred seventy-five
67 dollars per square foot of the building.

68 (d) (1) The Secretary of the Office of Policy and Management shall
69 issue an initial credit certificate if the secretary determines that the
70 applicant is likely, within a reasonable time, to place in service
71 property which would warrant the allowance of a credit under this
72 section. Such certificate shall state (A) the first taxable year for which
73 the credit may be claimed, (B) the maximum amount of credit
74 allowable, and (C) an expiration date by which such property must be
75 placed in service, which expiration date may be extended at the
76 discretion of the Secretary of the Office of Policy and Management.
77 Such certificate shall reserve the credit allowable for the applicant
78 named in the application until the date of expiration. The secretary

79 may extend the reservation of the credit.

80 (2) The Secretary of the Office of Policy and Management may not
81 issue initial credit certificates in the aggregate for more than fifty
82 million dollars.

83 (3) For each taxable year for which a taxpayer claims a credit under
84 this section, the taxpayer shall obtain an eligibility certificate from an
85 architect or professional engineer licensed to practice in this state and
86 accredited through the LEED Accredited Professional Program. Such
87 certificate shall consist of a certification, under the seal of the architect
88 or engineer, that the building, base building or tenant space with
89 respect to which the credit is claimed, meets or exceeds the applicable
90 LEED Green Building Rating System silver certification which was in
91 effect at the time of certification. The certification shall set forth the
92 specific findings upon which the certification is based and shall state
93 that the architect or engineer is accredited through the LEED
94 Accredited Professional Program.

95 (4) To obtain the credit, the taxpayer shall file the initial credit
96 certificate pursuant to subdivisions (1) and (2) of this section, the
97 eligibility certificate described in subdivision (3) of this section and an
98 application to claim the credit with the Commissioner of the
99 Department of Revenue Services. The taxpayer shall send a copy of
100 such documents to the Secretary of the Office of Policy and
101 Management.

102 (e) (1) A taxpayer may claim not more than a total of twenty per
103 cent of allowable costs in any tax year, and any percentage of tax credit
104 that the taxpayer would otherwise be entitled to in accordance with
105 subsection (c) of this section may be carried forward for a period of not
106 more than five years.

107 (2) Any credit allowed pursuant to this section may be sold,
108 assigned or otherwise transferred, to one or more taxpayers. If an
109 applicant sells, assigns or otherwise transfers such credit, the

110 transferor and transferee shall jointly submit written notification of
111 such transfer to the Commissioner of Revenue Services not later than
112 thirty days after such transfer. The notification shall include any
113 information required by said commissioner. Failure to comply with
114 this subdivision shall result in a disallowance of such credit until there
115 is full compliance by the transferor and transferee.

116 (f) Notwithstanding any provision of the general statutes, any
117 subsequent successor in interest to the property that is eligible for a
118 credit in accordance with subsection (c) of this section may claim such
119 credit if the deed transferring the property assigns the subsequent
120 successor such right, unless the deed specifies that the seller shall
121 retain the right to claim such credit. Any subsequent tenant of a
122 building, for which a credit was granted to a taxpayer pursuant to this
123 section, may claim the credit for the period after the termination of the
124 previous tenancy that such credit would have been allowable to the
125 previous tenant.

126 (g) Not later than January 1, 2009, the Secretary of the Office of
127 Policy and Management, in consultation with the Commissioners of
128 Environmental Protection and Revenue Services, shall adopt
129 regulations, in accordance with the provisions of chapter 54 of the
130 general statutes to implement the provisions of this section.

131 Sec. 2. (*Effective from passage*) On or before July 1, 2012, the Secretary
132 of the Office of Policy and Management, in consultation with the
133 Commissioners of Environmental Protection and Revenue Services,
134 shall prepare and submit to the Governor, and the joint standing
135 committees of the General Assembly having cognizance of matters
136 relating to the environment and finance, revenue and bonding, in
137 accordance with the provisions of section 11-4a of the general statutes,
138 a written report containing (1) the number of taxpayers applying for
139 the credits provided in section 1 of this act; (2) the amount of such
140 credits granted; (3) the geographical distribution of such credits
141 granted; and (4) any other information deemed appropriate. On or

142 before July 1, 2010, a preliminary draft of the written report shall be
143 submitted to the Governor and the joint standing committees of the
144 General Assembly having cognizance of matters relating to the
145 environment and finance, revenue, in accordance with the provisions
146 of section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008, and applicable to income years commencing on or after January 1, 2009</i>	New section
Sec. 2	<i>from passage</i>	New section

Statement of Purpose:

To establish a tax credit for real estate projects that meet or exceed LEED Green Building Rating System silver certification.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]